

LEASED LABOR AGREEMENT

This is an Agreement between AMTEX General Contractors, LLC (hereinafter referred to as "LC") and AMFELS, Inc. (hereinafter referred to as "AMFELS"), for the provision of leased labor services. LC and AMFELS are collectively referred to in this Agreement as the "Parties".

RECITAL

The purpose of this agreement is to state the terms and conditions under which LC will provide leased labor personnel services to AMFELS. For and in consideration of the covenants and provisions hereof, and to induce AMFELS to hire leased labor services from LC, the parties hereby agree as follows:

SERVICES PROVIDED

LC will provide leased labor to AMFELS in the numbers, skills and duration requested by AMFELS. LC agrees that it shall supply leased labor solely to AMFELS. Furthermore, LC agrees to have all labor personnel provided under this Agreement to execute Exhibit "A", which is attached to this Agreement. The rate of pay of the leased labor is as determined by AMFELS. All personnel approved by AMFELS must pass a pre-employment physical and drug test. The pre employment physical and drug test must be administered by Dr. Jose Kuri or by another physician approved by AMFELS.

FEE

AMFELS shall pay LC 6.5% (six and a half percent) of the actual gross payroll (excluding payroll taxes) for leased labor services provided. AMFELS will compute the weekly payment to LC for labor services provided based on time cards signed by AMFELS' designated representative as approved. Any overpayment made by AMFELS shall be promptly reimbursed to AMFELS upon demand.

AMFELS will reimburse LC for the cost of each physical exam for new or rehired workers. :

AMFELS shall also pay LC a amount equal to LC's share of all federal and state payroll taxes including but not limited to SUTA, FUTA, FICA and Medicaid payments on all LC leased labor as an

additional fee for services provided under this Agreement. LC shall indemnify, defend, and hold harmless AMFELS from all liability for payment, fines, penalties, assessments, and other damages as a result of any failure of LC to pay same when due.

AMFELS agrees to pay all insurance deductibles and self-insured retentions which may be required of LC under the Workers Compensation insurance policy and any other documented out-of pocket expenses incurred by LC in the defense of AMFELS or its designees to LC as an additional fee for services provided under this Agreement.

Furthermore, AMFELS agrees to pay for any and all fines assessed against LC for citations issued to LC employees by regulatory agencies while working at the AMFELS facility, other than fines assessed by the Department of Homeland Security (formerly known as the Immigration and Naturalization Service). LC shall comply with all applicable laws, rules, and regulations, state, federal, or local, in the recruitment of employees under this Agreement and shall indemnify, defend, and hold harmless AMFELS from all fines, penalties, assessments, and other damages as a result of any violation by LC of same.

ADMINISTRATION

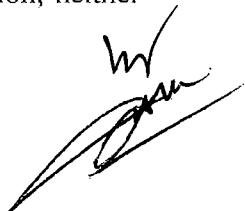
AMFELS will provide time cards for leased labor personnel from LC.

AMFELS will verify the charge codes and hours of leased labor personnel from LC with its own supervisors, process the time cards and generate invoice for LC in accordance with the provisions contained in this Agreement.

Based on the time cards of workers supplied by LC each week, AMFELS will remit payment for said hours approved and accepted by AMFELS on Thursday of the following week. AMFELS will wire transfer the invoice amount (gross payroll and the fee of 6.5%) and applicable payroll taxes by noon every Thursday. All information required for the processing of weekly pay checks of leased labor personnel will be transmitted to LC by 5pm every Wednesday.

TERM OF AGREEMENT

The term of this Agreement shall begin as of January 1, 2004, and shall remain in full force and effect until either party terminates it with not less than 30 days written notice. Upon termination, neither



party shall have any liability or obligation to the other accruing from and after the effective date of termination.

INSURANCE

- a. LC shall maintain at all times, with an insurance company or companies acceptable to AMFELS and with policy terms and conditions including coverages, exclusions, limits, and deductibles acceptable to AMFELS, and authorized to do business in the states where leased labor is to be supplied, insurance coverage of the kind and in amounts as follows:
Workers' Compensation insurance in full compliance with all applicable state and federal laws and regulations, including coverage under the Texas Workers' Compensation statute and the Longshore & Harbor Workers' Compensation Act, and Employers' Liability Insurance (including Maritime Employers Liability when required by AMFELS) on an occurrence basis of \$ 1,000,000 per occurrence covering injury, illness, or death to any employee or leased employee and including a borrowed servant/alternate employer endorsement.
- b. All policies of insurance carried by LC, whether listed herein or not, shall be endorsed to waive all rights of subrogation in favor of AMFELS and its subsidiaries, affiliates or inter-related companies, and customers and such other entities or persons as AMFELS shall designate (collectively the "AMFELS Group") for all claims, demands, and causes of action of every kind and character arising out of or resulting from or incident to or in connection with the work or services that are the subject matter of this Agreement or for which LC has assumed liability and agreed to indemnify AMFELS or such other parties.
- c. All insurance required hereunder or otherwise carried by LC shall be issued by American insurance companies rated by A.M. Best Company as A+IX or higher or by Underwriters at Lloyds of London or with the Institute of London Underwriters Companies unless otherwise agreed to in advance by AMFELS Inc., and shall not be canceled, altered or amended, or not renewed without thirty (30) days prior written notice having first been furnished to AMFELS.

- d. Prior to the commencement of the work or services, LC shall deliver to AMFELS a certificate of insurance certifying the existence and limits of insurance coverages and noting the applicable endorsement described above, and shall deliver the same to AMFELS.
- e. The securing of said insurance by LC and the waiver of subrogation by LC and its insurers in favor of the members of the AMFELS Group as provided herein shall in no way or manner affect or limit LC's indemnity obligations as contained in this Agreement.
- f. AMFELS shall carry Comprehensive General Liability Insurance on ISO Form CG 0001 or equivalent and on an occurrence basis with limits of \$1,000,000 applicable to bodily injury, sickness or death in any one occurrence and \$1,000,000 for loss of or damage to property in any one occurrence, subject to any aggregate limitations from time to time in effect. Such policy shall be endorsed to provide that LC is named as an additional insured with waive of subrogation but only with respect to AMFELS' work as defined in said policy. AMFELS shall deliver to LC a certificate of insurance certifying the existence and limits of insurance coverages and noting the applicable endorsement described above. The securing of said insurance by AMFELS and the naming of LC as an additional insured with waiver of subrogation as provided herein shall in no way or manner affect or limit AMFELS' indemnity obligations as contained in this Agreement

WORK ASSIGNMENT/SUPERVISION

AMFELS has the exclusive right to control all personnel provided by LC under this Agreement. More specifically AMFELS retains the right to:

1. Supervise all personnel in the work being performed and controlling the details of the work performed and the manner in which the work will be performed, including but not limited to giving job assignments and inspection of all work performed.
2. All work performed will be for the benefit of AMFELS and said work will be performed at AMFELS facility located at Port of Brownsville, Texas or at other areas as designated by AMFELS.
3. All tools except those hand tools usually furnished by semi-skilled or skilled personnel will be provided by AMFELS.

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4. AMFELS retains the right to terminate the services of any personnel provided under this Agreement.
5. All personnel supplied under this Agreement will be considered “borrowed servants” of AMFELS. As such, AMFELS will be considered the borrowing employer for purposes of the Texas Worker’s Compensation Act and the Longshore and Harbor Worker’s Compensation Act and any other maritime laws. Further, in the event any borrowed servant is injured while working at AMFELS their sole remedy will be their worker’s compensation benefits.
6. It is understood that all personnel provided to AMFELS under this agreement have acquiesced to working at AMFELS and agree to comply with all rules and regulations of AMFELS including but not limited to all safety rules and regulations and substance abuse policies.

INDEMNITY

INDEMNITY FROM LC TO AMFELS - LC SHALL PROTECT, DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS THE MEMBERS OF THE AMFELS GROUP AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES (COLLECTIVELY THE “AMFELS INDEMNITEES”) FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES (INCLUDING BUT NOT LIMITED TO THOSE INVOLVING ENVIRONMENTAL, HEALTH AND SAFETY MATTERS), LOSSES, DAMAGES, PROCEEDINGS, CAUSES OF ACTION, SUITS, JUDGEMENTS, AND EXPENSES (INCLUDING COURT COSTS, ATTORNEYS’ FEES AND OTHER LITIGATION COSTS) SUFFERED WITH RESPECT TO:

- (i) **PERSONAL INJURY (INCLUDING ILLNESS, BODILY INJURY OR DEATH) OF EMPLOYEES, AGENTS, OR REPRESENTATIVES OF LC AND/OR**
- (ii) **ALL LOSS OF, DAMAGE OR DESTRUCTION OF LC FURNISHED ITEMS OR PROPERTY OWNED OR HIRED BY LC,**

ARISING OUT OF, OR OCCASIONED BY, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OF LC UNDER THIS AGREEMENT OR THE BREACH HEREOF AND/OR THE PERFORMANCE OF AN LC EMPLOYEE OR AGENT OR REPRESENTATIVE UNDER THIS AGREEMENT WHETHER FOR THE BENEFIT OF

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LC OR FOR THE BENEFIT OF AMFELS, INCLUDING CLAIMS AND DAMAGES ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OR STRICT LIABILITY OF ANY AMFELS INDEMNITEE OR ANY THIRD PARTY, OR THE UNSEAWORTHINESS OF ANY VESSEL, THE PRESENCE OF ANY PERSON AT ANY JOB SITE OR LOCATION, OR TRANSPORTATION THEREOF TO OR FROM ANY JOB SITE OR LOCATION, AND REGARDLESS OF WHETHER PRE-EXISTING THE EXECUTION OF THIS AGREEMENT. IT IS THE EXPRESSED INTENT OF THE PARTIES TO THIS AGREEMENT THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY LC TO INDEMNIFY AND PROTECT THE AMFELS INDEMNITEES FROM THE CONSEQUENCES OF THEIR OWN NEGLIGENCE, WHETHER THAT NEGLIGENCE IS THE SOLE OR CONTRIBUTORY CAUSE OF THE RESULTANT INJURY, DEATH OR DAMAGE. SUBJECT TO AGREEMENT OF LC'S UNDERWRITERS, AMFELS SHALL BE ENTITLED TO APPROVE THE COUNSEL WHICH WILL DEFEND THE AMFELS INDEMNITEES.

INDEMNITY FROM AMFELS TO LC - AMFELS SHALL PROTECT, DEFEND, RELEASE, INDEMNIFY AND HOLD HARMLESS LC AND ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES (COLLECTIVELY THE "LC INDEMNITEES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LIABILITIES (INCLUDING BUT NOT LIMITED TO THOSE INVOLVING ENVIRONMENTAL, HEALTH AND SAFETY MATTERS), LOSSES, DAMAGES, PROCEEDINGS, SUITS, JUDGEMENTS, CAUSES OF ACTION AND EXPENSES (INCLUDING COURT COSTS, ATTORNEYS' FEES AND OTHER LITIGATION COSTS) SUFFERED WITH RESPECT TO:

- (iii) PERSONAL INJURY (INCLUDING ILLNESS, BODILY INJURY OR DEATH) OF DIRECT (IE. NON- BORROWED SERVANT) EMPLOYEES OF AMFELS, ITS AFFILIATES, SUBSIDIARIES, OR INTER-RELATED COMPANIES AND/OR
- (iv) ALL LOSS OF, DAMAGE OR DESTRUCTION OF PROPERTY OF AMFELS OR ITS SUBSIDIARIES, AFFILIATES, OR INTER-RELATED COMPANIES,

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ARISING OUT OF, OR OCCASIONED BY, DIRECTLY OR INDIRECTLY, THE PERFORMANCE OF LC UNDER THIS AGREEMENT OR THE BREACH HEREOF AND/OR THE PERFORMANCE OF AN LC EMPLOYEE OR AGENT OR REPRESENTATIVE UNDER THIS AGREEMENT WHETHER FOR THE BENEFIT OF LC OR FOR THE BENEFIT OF AMFELS, INCLUDING CLAIMS AND DAMAGES ARISING IN WHOLE OR IN PART FROM THE NEGLIGENCE OR STRICT LIABILITY OF ANY LC INDEMNITEE OR ANY THIRD PARTY, OR THE UNSEAWORTHINESS OF ANY VESSEL, THE PRESENCE OF ANY PERSON AT ANY JOB SITE OR LOCATION, OR TRANSPORTATION THEREOF TO OR FROM ANY JOB SITE OR LOCATION, AND REGARDLESS OF WHETHER PRE-EXISTING THE EXECUTION OF THIS AGREEMENT. IT IS THE EXPRESSED INTENT OF THE PARTIES TO THIS AGREEMENT THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION IS AN INDEMNITY EXTENDED BY AMFELS TO INDEMNIFY AND PROTECT THE LC INDEMNITEES FROM THE CONSEQUENCES OF THEIR OWN NEGLIGENCE, WHETHER THAT NEGLIGENCE IS THE SOLE OR CONTRIBUTORY CAUSE OF THE RESULTANT INJURY, DEATH OR DAMAGE. SUBJECT TO AGREEMENT BY AMFELS' UNDERWRITERS, LC SHALL BE ENTITLED TO APPROVE THE COUNSEL WHICH WILL DEFEND THE LC INDEMNITEES.

RELATIONSHIP BETWEEN PARTIES

Neither LC nor its employees are agents or employees of AMFELS and are not entitled to benefits provided by AMFELS to its employees, including but not limited to health and life insurance benefits, welfare benefits and unemployment insurance. LC will be responsible for making all deductions required of employers by state, federal and local laws, including but not limited to deductions for social security and withholding taxes, and contributions for unemployment insurance compensation for all personnel provided under this Agreement. LC agrees to demonstrate to AMFELS by way of a letter to be submitted to AMFELS Chief Financial Officer upon request that LC is complying with this Agreement concerning the withholding and payment of all payroll taxes for all labor personnel assigned to work at AMFELS. Contractor agrees that neither Contractor nor its affiliates shall recruit or hire any workers that are working

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at AMFELS at any time, whether AMFELS' direct employees or employees of other leased labor contractors and for a period of ninety (90) days after termination of employment with AMFELS or its other leased labor contractors for any reason including resignation. AMFELS agrees not to recruit for employment any labor personnel provided under this Agreement for a period of one hundred and fifty (150) days from the date they are assigned to work at AMFELS. Thereafter, AMFELS has the right to recruit and place on its payroll any labor personnel provided under this Agreement without any obligation to LC.

If affiliates of Contractor are providing similar services to other employers in the construction or repair industry, Contractor will provide AMFELS the quantity of labor services and positions (crafts) being provided to said employer. The purpose of this is to avoid any conflict of interest by either party. Failure to declare such information shall give AMFELS the right to take appropriate action up to and including the termination of this Agreement.

Nothing in this Agreement shall be deemed to require AMFELS to obtain leased labor exclusively from LC or to require AMFELS to use any minimum number of LC leased labor at any time.

WAIVER OR MODIFICATION

A waiver, alteration, or modification of any of the provisions of this Agreement shall not be binding unless in writing and signed by authorized representatives of the parties to this Agreement.

ATTORNEY FEES AND COST

If any action of law or in equity is necessary to enforce or interpret the terms of this Agreement the prevailing party shall be entitled to reasonable attorney's fees, costs, expert witness fees, and other necessary disbursements in addition to any other relief to which such party may be entitled.

MISCELLANEOUS PROVISIONS

TEXAS LAW TO APPLY

A handwritten signature in black ink, appearing to read "AMFELS" or a similar name, is placed here.

This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the Parties created in this Agreement are performable in Cameron County, Texas.

LEGAL CONSTRUCTION

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

WORK RELATED ACCIDENTS

AMFELS will be responsible for investigating all work-related accidents involving labor personnel provided under this Agreement.

Upon notification by LC, AMFELS will be responsible for reporting all accidents, injuries or claims to the Texas Worker's Compensation Commission or the Department of Labor.

LC will also be responsible for reporting and maintaining any and all OSHA required records.

LC agrees to fully cooperate with AMFELS and the Insurance Carrier in defending claims under the Longshore and Harbor Workers Compensation Act including but not limited to authorizing the AMFELS Safety Director to sign responses to discovery as LC agent for that limited purpose, allowing AMFELS Safety Director or other designated personnel to represent LC interest at Informal Conferences and Formal Hearings before the United States Department of Labor, providing AMFELS' Human Resource Department and Safety Office with access to and copies of personnel files relevant to the defense of these claims, and providing wage statements as requested by the AMFELS Safety Office. AMFELS agrees to provide LC upon request with copies of any documentation related to investigations of work related accidents involving leased labor personnel provided under this Agreement. AMFELS agrees to keep LC fully informed on all claims which AMFELS represents LC pursuant to this Agreement.

AUDIT

A handwritten signature in black ink, appearing to read "W. J. Stone". The signature is fluid and cursive, with a large, stylized "W" at the top and "J. Stone" below it.

AMFELS reserves the right to audit LC records regarding amounts paid or payable under this Agreement, at any time from commencement of this Agreement up to a period of three (3) years following the termination of this Agreement to ensure compliance with the terms and conditions of this Agreement. LC shall maintain its records for the entire audit period.

NOTICES

All notices hereunder shall be in writing and shall be sent to the parties at their addresses set forth below. Notices may be sent by courier, confirmed fax or certified mail, return receipt requested, and shall be effected when sent.

AMTEX General Contractors, LLC

2006 North Jackson RD

Pharr, TX 78577

Fax: (956) 631-3723

AMFELS, INC.

20000 S. HIGHWAY 48

BROWNSVILLE

TX 78523

Fax: (956) 838-2023

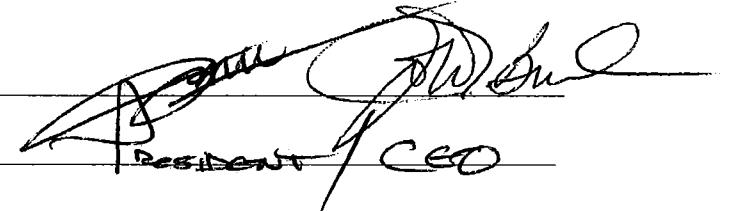
PRIOR AGREEMENTS ARE SUPERSEDED

This Agreement constitutes the entire Agreement of the Parties concerning this subject matter and supersedes any prior understandings, oral or written agreements between the parties.

Handwritten signatures of two parties. The top signature is for AMTEX General Contractors, LLC, and the bottom signature is for AMFELS, INC.

Executed at Brownsville, Texas on 23 Dec., 2003.

AMTEX General Contractors, LLC

By: 

Title: President/CEO

AMFELS, INC.

By: Alberto Cesar Yane Ho 
Title: President